

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Petition of Verizon for Further Forbearance)	
From Separate Affiliate Requirements in)	WC Docket No. 02-200
Connection with 1+ Calls from Payphones)	
_____)	

**COMMENTS OF THE
UNITED STATES TELECOM ASSOCIATION**

The United States Telecom Association (USTA),¹ through the undersigned and pursuant to the *Public Notice* released by the Federal Communications Commission's (FCC's or Commission's) Wireline Competition Bureau (WCB)² and pursuant to sections 1.415 and 1.419 of the Commission's rules,³ hereby submits its comments on the Petition of Verizon for Further Forbearance from Separate Affiliate Requirements in Connection with 1+ Calls from Payphones (Petition). USTA fully supports the Petition and the relief requested therein. USTA asks the Commission to grant the Petition, which will serve the important public interest of allowing customers who seek interLATA service from certain "dumb" payphones⁴ to obtain such service

¹ USTA is the Nation's oldest trade organization for the local exchange carrier industry. USTA's carrier members provide a full array of voice, data and video services over wireline and wireless networks.

² *Public Notice*, WC Docket No. 02-200, DA 02-1818 (rel. July 26, 2002) soliciting comment on Verizon's Petition for Forbearance.

³ 47 C.F.R. §§1.415 and 1.419.

⁴ Verizon explains that "smart" payphones have built-in hardware and software that determine the appropriate rate for a sent-paid call, announce the rate to the caller, and verify the correct coin deposit before releasing the call for completion, but "dumb" payphones do not contain such hardware and software, so calls from "dumb" payphones must be sent to operator services switches to perform such functions. *See* Petition at 2-3.

that would otherwise not be available and which will promote competition among interexchange carriers (IXCs) for interLATA services to these payphone customers.⁵

DISCUSSION

Through its Petition, Verizon seeks to solve a problem – the inability of certain customers of “dumb” payphones to obtain interLATA service – that arose when AT&T began to stop carrying interLATA sent-paid (coin) calls from payphones owned by Verizon and other payphone providers, following permission from the Commission.⁶ Verizon asserts that AT&T was the only IXC providing this service to its and others’ “dumb” payphones; that it is not aware of any other IXC that is capable of providing this service; and that no other IXC has offered to provide this service.⁷ Further, Verizon asserts that its local exchange carriers (LECs) have the capability to facilitate interLATA service to “dumb” payphones by routing interLATA calls from “dumb” payphones to their operator services switches across LATA boundaries (when there is no operator services switch within the same LATA as the payphone) and then routing the call over dedicated trunks in the same LATA where the operator services switch is located to the IXC that the customer chooses.⁸ Pursuant to the Section 272 requirements of the Telecommunications Act of 1996 (1996 Act), these limited interLATA services would normally need to be provided through a separate affiliate; however, Verizon asserts that its long distance separate affiliate does not have the practical ability to facilitate such interLATA services.⁹ Accordingly, Verizon seeks forbearance from its Section 272 requirements in order to provide these needed operator and transport services through its LECs to customers who rely on “dumb” payphones for their interLATA service. An added benefit of Verizon’s proposed resolution of

⁵ See Petition at 6, 9, and 10.

⁶ See Petition at 1.

⁷ See Petition at 1, 3.

⁸ See Petition at 2-5.

this problem is that it promotes competition among IXCs for the provision of interLATA services to customers of “dumb” payphones, which is a departure from the situation that existed prior to AT&T’s withdrawal of providing interLATA service to such payphones. When AT&T was providing these interLATA services it was the only provider of such services. Verizon emphasizes that even if its long distance affiliates were able to provide these interLATA operator services and the ultimate interLATA services directly to customers, the result would be a reversion to a single provider of interLATA services to these “dumb” payphones – like that previously provided by AT&T – and thus no competition.¹⁰

Verizon’s proposal fulfills a significant public interest need for customers who use “dumb” payphones – particularly those customers who have no home telephone service and for whom “dumb” payphones are their only telephones for making long distance calls. As Verizon noted in its Petition, AT&T is withdrawing its provision of interLATA services from payphones and no other carrier has stepped forward to offer the same service. As a result, Verizon’s and others’ “dumb” payphones no longer have access to long distance service and thus the customers who must use these “dumb” payphones have no ability to make long distance calls.

A significant factor in being able to make sent-paid interLATA calls on a “dumb” payphone is having access to information that enables customers to make informed decisions about whether or not to make and complete the calls. Specifically, they need advance rating information to make those decisions. Importantly, the operator services function that Verizon proposes to offer implements the Commission’s goal of ensuring that away-from-home callers who use public phones, particularly payphones, to make interLATA calls have access to information, notably rate information, that enables them to make informed decisions about

⁹ See Petition at 6.

¹⁰ See Petition at 9.

whether or not to make and complete calls through the available providers of the interLATA service.¹¹

Due to its limited number of operator services switches, the technical limitations of its network, and the economic impracticalities of providing the proposed services through a long distance separate affiliate, Verizon must cross LATA boundaries to provide the operator services functions of providing rate information and verification of payment; Verizon must also transport these calls that have already crossed the LATA boundaries to an IXC so that the IXC can complete the calls; and Verizon must provide these services through its LECs. Importantly, Verizon is not proposing to actually provide the ultimate interLATA services to customers. Rather, it proposes to facilitate such service to customers by providing operator services and transport services that happen to cross LATA boundaries, but which enable IXCs to provide the ultimate interLATA services to these customers of “dumb” payphones. Accordingly, USTA asserts that there is no potential for harm to customers or to competitive providers of interLATA services to “dumb” payphones by permitting Verizon to provide operator and transport services that cross LATA boundaries for the purpose of facilitating customers with access to IXCs that can complete interLATA calls. Again, as Verizon maintained in its Petition, without its operator and transport services, customers who rely on “dumb” payphones for their telecommunications needs will be harmed if Verizon is not permitted to provide its proposed operator and transport services because they will not be able to use these phones to make interLATA calls. Also, as Verizon maintained in its Petition, there are no competitors that are capable of providing the operator services function, so without the operator and transport services that Verizon proposes to offer, no IXCs will be able to provide interLATA services to these “dumb” payphones. Thus,

¹¹ See *generally Billed Party Preference for InterLATA C+ Calls*, Second Report and Order and Order on Reconsideration, 13 FCC Rcd 6122, CC Docket No. 92-77 (1998).

there will be no competition for provision of interLATA services to Verizon's and others' "dumb" payphones if Verizon is not permitted to provide its proposed operator and transport services.

Accordingly, USTA urges the Commission to grant the relief requested in the Petition because such relief will serve an important public interest and will promote competition. USTA supports granting the relief in the states where Verizon has already obtained Section 271 authority and in the six states where it has not yet obtained such authority. As Verizon noted in its Petition, grant of the requested relief in the states where Verizon has not yet obtained Section 271 authority is premised on the requirement that Verizon must actually have such authority before it can begin to provide its proposed interLATA operator and transport services to "dumb" payphones that require such services.¹² As such, granting forbearance in these six states would simply ease administrative burdens on Verizon and the Commission by not requiring them to revisit this subject at a later date, after Verizon has obtained Section 271 authority in these states.

Respectfully submitted,

UNITED STATES TELECOM ASSOCIATION

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August 26, 2002

¹² See Petition at 8.